

2005 Senate Bill 420

Date of enactment:  
Date of publication\*:

# 2005 WISCONSIN ACT

AN ACT *to amend* 632.745 (9), 635.01 and 635.02 (8); and *to create* 601.428 of the statutes; **relating to:** the definition of a group health benefit plan and reports by the Commissioner of Insurance on the effect of changing the definition.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**SECTION 1c.** 601.428 of the statutes is created to read:

**601.428 Definition of group health benefit plan reports.** (1) Annually, beginning in 2007, the commissioner shall prepare, and provide to the standing committees of the legislature with jurisdiction over insurance and health matters under s. 13.172 (3), a report that assesses the effect on the commercial insurance market of the changes to the definitions of “group health benefit plan” and “small employer insurer” made by 2005 Wisconsin Act .... (this act). The commissioner shall measure and include in the report changes that may be attributable to 2005 Wisconsin Act .... (this act) to the following populations in the state:

- (a) Individuals without health insurance coverage.
- (b) Individuals with coverage under Medical Assistance.
- (c) Individuals with small group health insurance coverage.
- (d) Individuals with individual health insurance coverage.
- (e) Individuals with coverage under the Health Insurance Risk-Sharing Plan.

(2) Annually, beginning in 2007, the commissioner shall request information from the Health Insurance

Risk-Sharing Plan Authority on the number of applicants for coverage under the Health Insurance Risk-Sharing Plan who are employees of small employers that no longer offer group health benefits but offer, or facilitate the sale of, individual health insurance policies to employees. The commissioner shall include the information obtained under this subsection in the reports under sub. (1).

(3) To assist the commissioner in determining the effect, if any, of the definition changes made by 2005 Wisconsin Act .... (this act), the commissioner shall establish benchmarks with respect to changes in the populations specified under sub. (1) (a) to (e) by assessing the status of those populations over the 3-year period preceding the beginning of the period covered by the first report prepared and submitted under sub. (1). The assessment shall include such parameters as population size and demographic statistics and shall identify changes in those parameters over the 3-year period. The commissioner shall prepare a report of the assessment and submit the report under s. 13.172 (3) to the standing committees specified in sub. (1) along with the first report submitted under sub. (1).

**SECTION 1m.** 632.745 (9) of the statutes is amended to read:

632.745 (9) “Group health benefit plan” means a health benefit plan that is issued by an insurer to or

---

\* Section 991.11, WISCONSIN STATUTES 2003–04 : Effective date of acts. “Every act and every portion of an act enacted by the legislature over the governor’s partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated” by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

through an employer on behalf of a group consisting of at least 2 employees or a group including at least 2 eligible employees. The term includes individual health benefit plans covering eligible employees when 3 2 or more are sold to or through an employer.

**SECTION 2.** 635.01 of the statutes is amended to read:

**635.01 Scope.** This chapter applies to all group health insurance plans, policies or certificates, written on risks or operations in this state, providing coverage for employees of a small employer, or employees of a small employer and the employer, and to individual health insurance policies, written on risks or operations in this state, providing coverage for employees of a small employer, or employees of a small employer and the employer when 3 2 or more are sold to or through a small employer.

---

**SECTION 3.** 635.02 (8) of the statutes is amended to read:

635.02 (8) “Small employer insurer” means an insurer that is authorized to do business in this state, in one or more lines of insurance that includes health insurance, and that offers group health benefit plans covering eligible employees of one or more small employers in this state, or that sells 3 2 or more individual health benefit plans to a small employer, covering eligible employees of the small employer. The term includes a health maintenance organization, as defined in s. 609.01 (2), a preferred provider plan, as defined in s. 609.01 (4), and an insurer operating as a cooperative association organized under ss. 185.981 to 185.985, but does not include a limited service health organization, as defined in s. 609.01 (3).